

AI Project Risk Assessment Template

This template helps teams comprehensively document potential risks for AI projects, enabling legal and compliance teams to review and suggest mitigation strategies early in the project lifecycle. Clear documentation of risks and proactive management ensures compliance while fostering innovation within safe, ethical boundaries.

Key Stages for Legal Involvement:

Project Name:

[Enter the AI project's title]

Brief Description:

[Enter a brief description of the project's purpose, goals, and scope]

Key Legal Concerns:

This section helps identify legal risks specific to the project and ensures they are documented early. Involvement from the legal team at this stage ensures that risks are flagged before they become critical.



1. Data Privacy Risks:

- [Describe if and how personal data will be used and the potential privacy risks]
- **EXAMPLE:** Will the AI system process sensitive user data, such as health or financial information? Will it store personal data long term?



2. Security Risks:

- [Identify potential vulnerabilities in data handling, storage, or transmission]
- **EXAMPLE:** Are there any known security gaps in the AI system's infrastructure, such as insufficient encryption or access control weaknesses?



3. Regulatory Compliance Risks:

- [List the relevant laws, regulations, or standards that must be followed]
- **EXAMPLE:** Does the AI project comply with GDPR, CCPA, or industry-specific regulations like HIPAA for healthcare-related data?



4. Ethical Risks:

- [Outline any ethical concerns related to bias, fairness, transparency, or unintended consequences]
- **EXAMPLE:** Could the AI system potentially exhibit biased outcomes in decision-making? Is the system's decision-making process transparent and explainable to users?

Potential Risks Identified by AI Team:

This section is where the AI team highlights any technical, operational, or process risks associated with the project.

- **RISK 1:** [Detail a specific risk identified by the AI team]
- **EXAMPLE:** Bias in the AI model could lead to unfair outcomes for certain demographic groups.
- **RISK 2:** [Detail a second risk]
- **EXAMPLE:** Potential data breaches due to insufficient encryption during data transfer.
- **RISK 3:** [Detail a third risk]
- **EXAMPLE:** Model drift over time could result in decreased accuracy, impacting decision-making.

After Mitigation Plan:

Once risks are identified, outline the steps your team will take to mitigate each risk. Legal teams should be involved in this process to ensure compliance with legal and ethical standards.

- **RISK 1:** [How will this risk be mitigated?]
- **EXAMPLE:** Conduct bias testing on the AI model during development and regularly audit outputs post-launch.
- **RISK 2:** [How will this risk be mitigated?]
- **EXAMPLE:** Implement end-to-end encryption for all data transfers and conduct regular security audits.
- **RISK 3:** [How will this risk be mitigated?]
- **EXAMPLE:** Establish a monitoring system to track model performance over time and retrain the model as needed.

Legal Review Notes:

This section allows legal teams to review the identified risks and the mitigation plans. Legal can suggest further actions, request additional compliance measures, or approve the existing mitigation strategies.

[Space for legal to comment on the risks and propose additional mitigation strategies]

Sign-Offs:

To ensure that all risks are addressed and agreed upon by both the AI and legal teams, formal sign-offs are required from the relevant team leads.

- AI Team Lead: [Signature]
- Legal Team Lead: [Signature]
- Date: [Date]

Additional Features:

- ✓ **1. Risk Severity:**
Add a column to assign a severity level to each risk (e.g., low, medium, high) to prioritize mitigation efforts.
- ✓ **2. Risk Ownership:**
Assign ownership of each risk to a specific team member to ensure accountability in the mitigation process.
- ✓ **3. Mitigation Timeline:**
Include a timeline for when each mitigation action should be completed.

ABOUT

The Empyrean Research Institute empowers organizations to transform their workforce through evidence-based, innovative insights and real, actionable strategies for a connected, future-ready culture.